

## TRENDS IN NET OVERSEAS MIGRATION: AUSTRALIAN CAPITAL TERRITORY

### INTRODUCTION

Population change in each state and territory is the combined result of net overseas migration, natural increase (births minus deaths), and net interstate migration (population change through the movement of people from one state or territory to another). All three components of population change contribute, in varying degrees, to the growth, size and structure of the population in each jurisdiction.

Net overseas migration (NOM) has emerged as a highly topical, and somewhat contentious, issue in recent years, particularly within the context of the Sustainable Population Strategy for Australia and the recent impact of international students on population counts. Variations in the number and characteristics of people arriving and departing the country impact on policy decisions and future planning at all levels of government, and on issues such as skilled and unskilled labour supply; national income from the educational services provided to international students; housing availability; cultural diversity; and social cohesion.

This article presents a brief national view of overseas migration, followed by an analysis for the Australian Capital Territory (ACT). It uses the most recent data to examine changing patterns in the characteristics of overseas migrants and their contribution to NOM in the ACT.

#### Net Overseas Migration (NOM): Definition

Net overseas migration is the net gain or loss of population through immigration to Australia and emigration from Australia. It is based on an international traveller's duration of stay being in or out of Australia for 12 months or more. It is the difference between the number of incoming international travellers who stay in Australia for 12 months or more, who **are not** currently counted within the population, and are then added to the population (NOM arrivals); and the number of outgoing international travellers (Australian residents and long-term visitors to Australia) who leave Australia for 12 months or more, who **are** currently counted within the population, and are then subtracted from the population (NOM departures).

Under the current method for estimating final net overseas migration, this term is based on a traveller's **actual** duration of stay or absence using the '12/16 month rule'. Preliminary NOM estimates are modelled on patterns of traveller behaviours observed in final NOM estimates for the same period one year earlier. For further information, see [Migration Australia](#) (cat. no. 3412.0).

The status of quarterly NOM data changes over time from **preliminary** to **final** as new data become available. An individual's actual true travel behaviour and associated characteristics are only available from final NOM data, as these can only be accurately recorded at the end of the 16 month reference period following a traveller's initial border crossing. For further information, see [Australian Demographic Statistics](#) (cat. no. 3101.0).

In this article, the data relating to the 2009 calendar year are final data, whereas those relating to the 2010 calendar year are preliminary. All NOM data used in this article are based on the '12/16 month rule' methodology and are sourced from the ABS Travellers' Characteristics Database.

### The National View

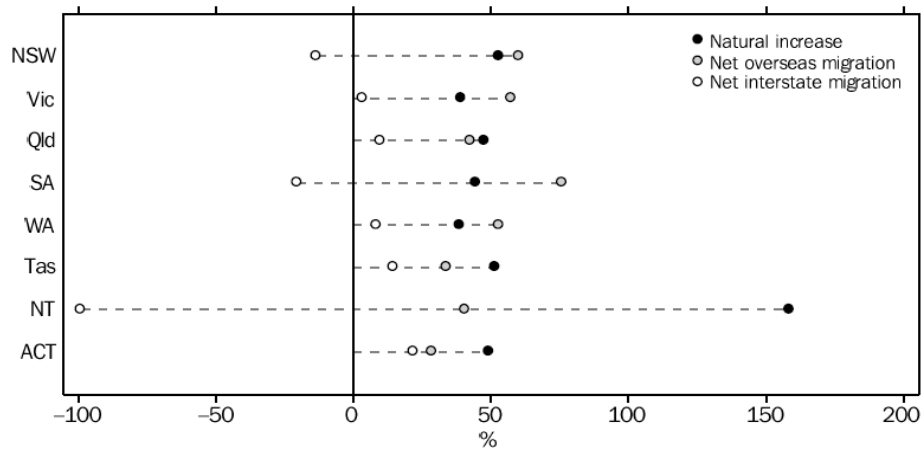
While natural increase has remained relatively stable in recent years, NOM has been far more volatile. The past decade has seen significant fluctuation in immigration estimates due to a number of factors including recent increases in temporary migrants; changing levels of demand for skilled migrants; the relative health of Australia's economy during the global financial crisis; and improvements in methodology to measure the travel behaviour of temporary migrants more effectively.

In recent years, NOM has accounted for over half of the nation's population growth. Preliminary NOM estimates for 2010 added 171,100 persons to Australia's population, representing 54% of the nation's total population growth for the year, with natural increase accounting for the remaining 46%. In 2010, Australia's total population grew by 317,100 persons or 1.4%.

In 2010, NOM contributed the greatest number of people to the most populous states: NSW with a net of 51,100 persons, followed by Victoria (48,000) and Queensland (31,600). The NT received the smallest number with 690 persons.

While all states and territories experienced positive NOM in 2010, it was the main component of population growth in SA (76%), NSW (60%), Victoria (57%), and WA (53%).

**Fig 1. Population components, Proportion of total growth(a), 2010 (b)(c)**



(a) Each population component as a proportion of a state's or territory's population growth for the calendar year 2010.

(b) These estimates use the '12/16 month rule' methodology for calculating NOM.

(c) Estimates for 2010 are preliminary.

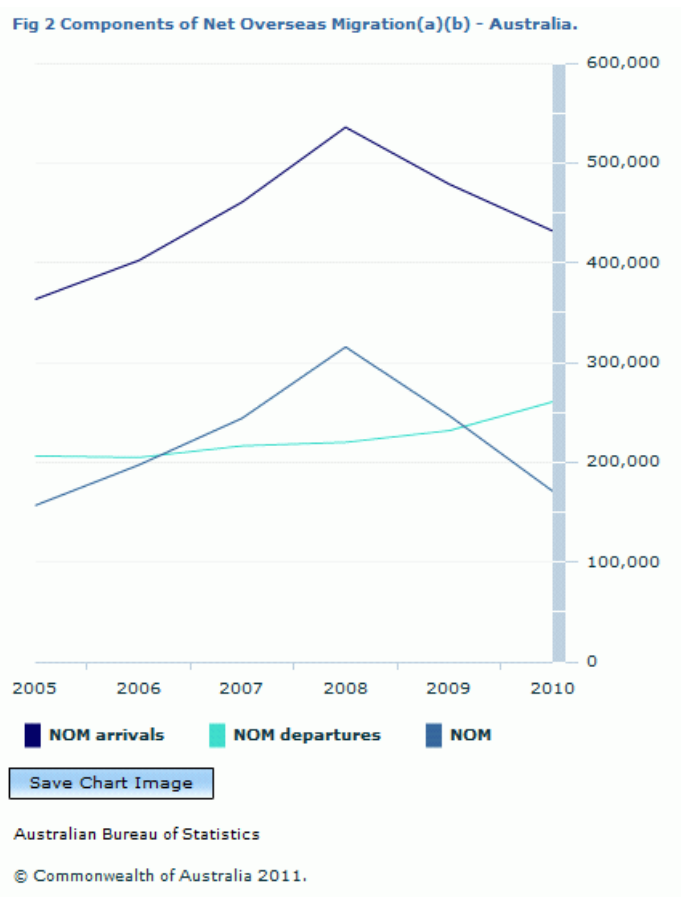
Source: Australian Demographic Statistics (cat. no. 3101.0).

### **Arrivals and Departures**

At the national level, NOM is traditionally positive, with more arrivals than departures contributing to a net increase in Australia's population each year. Over the five years from 2005 to 2010, NOM in Australia increased by 9% (14,300 persons), with arrivals increasing by 19% (68,500 persons) and departures increasing by 26% (54,200 persons).

In 2010, however, NOM declined for the second consecutive year after strong growth for the previous three, with arrivals to Australia dropping by 10% (-46,800 persons) from the previous year and departures increasing by 12% (29,000 persons). The result was an overall decline in NOM of 31%, or 75,800 persons, from the previous year, significantly slowing the five year growth rate.

This decline in net overseas migration to Australia is mainly driven by the temporary visa holders who arrived in earlier years and who are now starting to depart the country in larger numbers. While temporary visa holders, and in particular international students, have been a key driver in the growth of NOM in the three years to 2008, their departures are a major impact on the recent sharp decline in NOM. This reflects recent policy changes restricting eligibility for temporary visa entrants who apply for permanent residency whilst onshore (Australian Productivity Commission 2010, Ch 4, p.21).



**Footnote(s):** (a)These estimates use the '12-16 month rule' methodology for calculating NOM (b)Estimates for 2010 are preliminary

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

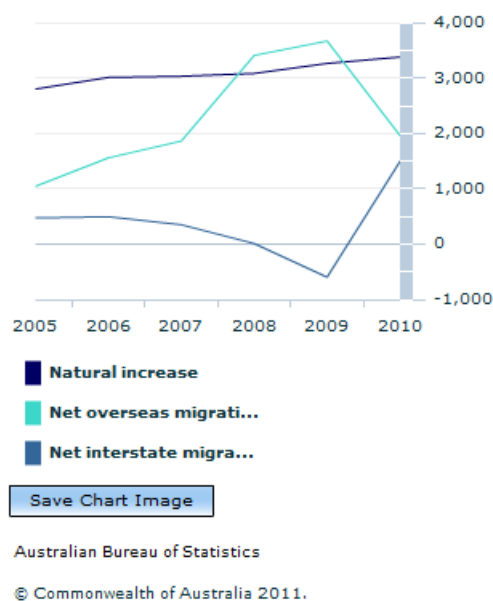
## AUSTRALIAN CAPITAL TERRITORY

### Overseas Migration and Population Growth

While net overseas migration was the main component of population growth in the ACT in 2008 and 2009, preliminary estimates for 2010 suggest that NOM fell once more below natural increase as the key driver of population growth. Preliminary NOM estimates for 2010 added almost 2,000 persons to the ACT's population, representing 1% of national NOM and 29% of the territory's total population growth (6,800 persons) for the year.

The main component of population growth in the ACT in 2010 was natural increase, which added 3,400 to the territory's population, while net interstate migration accounted for the remainder (1,500 persons).

**Fig 3 Population Components(a)(b), ACT, 2005-2010**



**Footnote(s):** (a) These estimates use the '12/16 month rule' methodology for calculating NOM. (b) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

## Arrivals and Departures

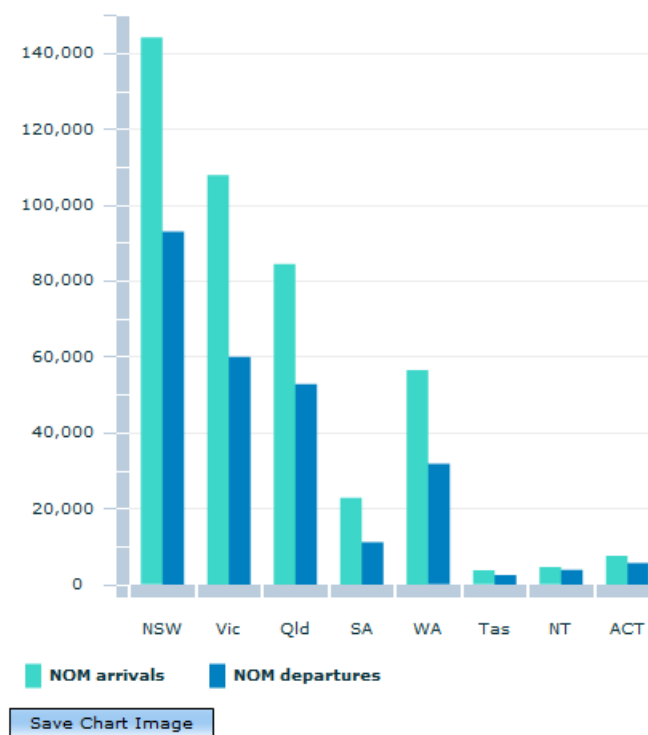
Over the five years from 2005 to 2010, the ACT recorded the largest growth rate in NOM of the states and territories, with an increase of 88% (920 persons), compared with 9% at the national level. During this period, arrivals to the ACT increased by 33% (1,900 persons), while departures increased by 21% (1,000 persons).

In 2010, there were 920 fewer (-11%) overseas arrivals in the ACT than in the previous year. However, overseas departures continued to increase with 790 more (16%) departures than in the previous year. The result was an overall decline in NOM of 47% (-1,700) from 2009, compared with the national decline of 31%.

## Overseas Migration Flows

In 2010, there were over 7,600 arrivals to, and nearly 5,700 departures from, the ACT. Thus, the combined flows of overseas migration (arrivals and departures) was almost 13,300. Of the jurisdictions, only Tasmania (6,200) and the NT (8,500) recorded smaller overseas migration flows.

Fig 4 Overseas Migration Flows, State & Territories - 2010 (a)



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**Footnote(s):** (a) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0)

To assess the effect of these gross overseas migration flows, it is useful to consider them as a proportion of the total population. In the ACT, overseas migration had a relatively significant effect on population turnover, accounting for 3.7% of the total population in 2010, compared with 3.1% for Australia. Of the jurisdictions, only WA had a higher population turnover from overseas migration.

Fig 5 Population Turnover(a) from Overseas Migration, States & Territories, 2010(b)(c)



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**Footnote(s):** (a) Gross overseas flows as a proportion of a state or territory's total population at 31 December 2010. (b) These estimates use the "12/16 month rule" methodology for calculating NOM. (c) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0).

## The Travellers' Characteristics Database

With the introduction of the '12/16 month rule' methodology for estimating NOM, the ABS also developed an analytical data set called the Travellers' Characteristics Database. These improvements allow the derivation of an individual's actual true travel behaviour (using final NOM data) and record certain characteristics of travellers who have contributed to NOM whether they are NOM arrivals or departures. The database provides for additional analysis on final NOM data that was not previously available.

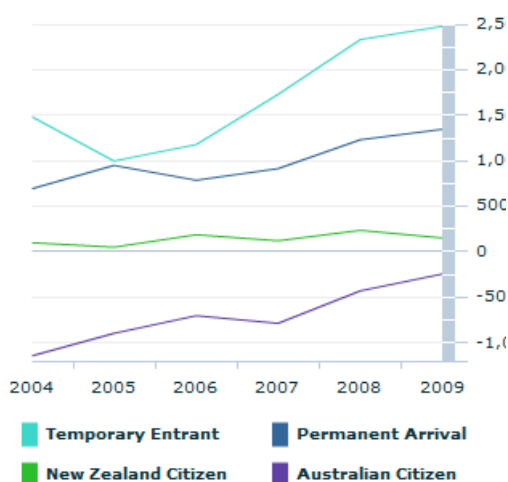
The following analysis of NOM by major groupings and visa types has used data extracted from the Travellers' Characteristics Database. All data from the database are based on the '12/16 month rule' methodology.

Factors that should be taken into account when analysing data from the Travellers' Characteristics Database include the impact of global and regional events, legislative changes in Australia and abroad, and economic activity, all of which can change traveller behaviour.

### Major Traveller Groups

In recent years, four major traveller groups have impacted on NOM estimates for the ACT: temporary visa holders; permanent visa holders; New Zealand citizens; and Australian citizens. Other traveller groups, having a smaller impact, include residents returning (i.e. non-Australian citizens who are permanent residents) and people travelling with onshore visas or with visa unknown.

Fig 6 Net Overseas Migration(a), Major Groupings(b), ACT, 2004-2009



Select a different graph

Fig 6.1 NOM(a), Major groupings(b), ACT

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**Footnote(s):** (a)These estimates use the '12/16 month rule' methodology for calculating NOM. (b)Does not include onshore and other visa types. The visa category information in this table represents the visa at the time of a traveller's specific movement. It is the specific movement that has been used to calculate NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

Over the five years from 2004 to 2009, there was a 67% net increase in the number of temporary visa holders contributing to NOM in the ACT, from 1,500 to 2,500 persons. While this was slightly higher than growth at the national level (62%), it was below that recorded in each of the other jurisdictions except NSW (35%) and Tasmania (1%). In 2009, the net figure for the ACT continued to increase (6%) from the previous year while all other jurisdictions recorded decreases.

In comparison, the net number of permanent visa holders contributing to NOM in the ACT almost doubled over the five year period (up 95%, or 650 persons). This net increase in permanent visa holders was much higher than the national increase (23%) and higher than in each of the other states and territories, except SA (104%).

For the same period, the net number of New Zealand citizens increased by 52% (50 persons). This growth rate was much higher than for Australia as a whole (14%) but below that recorded in WA (85%), the NT (81%) and Tasmania (79%).

Traditionally, Australian citizens have a net negative effect on NOM estimates as more Australians depart each year than return. However, the combined effect of an increase in arrivals and a decrease in departures saw the net loss of Australian citizens from the ACT population change, from -1,100 persons in 2004, to -250 persons in 2009. This change (-79%) was consistent with the national trend.

### Major Groupings and Visa Type

The following section provides a further breakdown of the major groupings and visa types that contributed to NOM in the ACT during 2009, the most recent year for which the data are available.

#### MAJOR GROUPINGS AND VISA TYPE (a), % of Total NOM, States & Territories, 2009

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Australia
<b>Temporary visas</b>	<b>63.7</b>	<b>63.7</b>	<b>56.9</b>	<b>50.9</b>	<b>53.4</b>	<b>47.6</b>	<b>55.5</b>	<b>67.6</b>	<b>60.0</b>
VET sector	15.5	23.4	15.0	14.4	10.2	5.1	5.7	9.0	16.7
Higher education sector	18.7	19.5	12.0	19.8	10.3	21.3	8.5	27.6	16.7
Student other	11.0	7.7	7.7	5.3	4.8	4.7	3.6	7.1	8.0
<b>Total students</b>	<b>45.2</b>	<b>50.7</b>	<b>34.7</b>	<b>39.4</b>	<b>25.2</b>	<b>31.1</b>	<b>17.8</b>	<b>43.7</b>	<b>41.4</b>
Business long stay (subclass 457)	2.5	4.3	8.4	6.7	14.5	8.6	29.5	11.8	6.4
Visitor(b)	8.4	7.8	8.0	5.1	9.6	9.1	8.8	10.3	8.1
Working holiday	13.6	4.7	9.0	2.5	8.3	1.8	5.2	4.8	8.4
Other temporary visas	-6.1	-3.7	-3.1	-2.9	-4.2	-2.9	-5.8	-3.1	-4.3
<b>Permanent visas</b>	<b>37.1</b>	<b>32.6</b>	<b>23.2</b>	<b>45.0</b>	<b>35.2</b>	<b>43.1</b>	<b>41.0</b>	<b>36.7</b>	<b>33.5</b>
Family	18.4	13.0	9.4	9.2	10.1	14.4	19.4	13.1	13.2
Skill	12.9	15.2	10.9	29.5	20.4	14.5	14.5	19.0	15.4
Special eligibility & humanitarian	5.9	4.5	2.9	6.3	4.7	14.3	7.1	4.6	4.8
<b>New Zealand citizen</b>	<b>5.6</b>	<b>6.2</b>	<b>18.1</b>	<b>2.5</b>	<b>9.0</b>	<b>5.3</b>	<b>4.7</b>	<b>4.1</b>	<b>8.4</b>
<b>Australian citizen</b>	<b>-2.5</b>	<b>-0.1</b>	<b>1.8</b>	<b>3.9</b>	<b>0.2</b>	<b>4.7</b>	<b>6.3</b>	<b>-6.7</b>	<b>-0.1</b>
<b>Other (c)</b>	<b>-4.0</b>	<b>-2.5</b>	<b>-0.1</b>	<b>-2.2</b>	<b>2.2</b>	<b>-0.7</b>	<b>-7.5</b>	<b>-1.7</b>	<b>-1.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) The visa category information in this table represents the number of visas based on the visa type at the time of a traveller's specific movement. It is this specific movement that has been used to calculate NOM. Therefore, the number of visas in this table should not be confused with information on the number of visas granted by DIAC.

(b) Visitor visas include tourist, business visitors, medical treatment and other.

(c) Includes residents returning (i.e. non Australian citizens who are permanent residents), onshore visas and visa unknown.

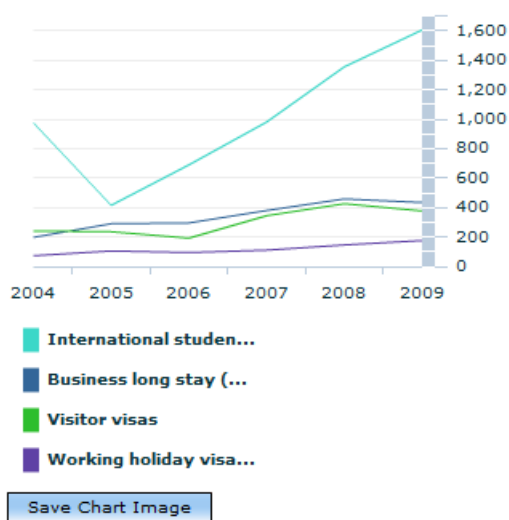
Source: ABS Traveller Characteristics Database, data available on request.

### Temporary Visas

In 2009, temporary visa holders made the largest net contribution to NOM in the ACT, with 68% of the total NOM figure for the year. This was higher than the proportion for Australia as a whole (60%) and for each of the other states and territories. The number of temporary visa holders arriving in the ACT during 2009 was over 4,100 persons, representing 48% of all arrivals, while the number departing was just under 1,600, or 33% of all departures. This resulted in almost 2,500 additional temporary visa holders in the ACT population.

Temporary visas issued in Australia fall into several categories, the principal ones being International student; Business long stay (457); Long term visitor and Working holiday visas.

**Fig 7 NOM by Temporary Visa Types(a), ACT, 2004-2009**



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**Footnote(s):** (a)These estimates use the '12/16 month rule' methodology for calculating NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

### **International Students**

Over the five year period from 2004 to 2009, there was a 64% (630 persons) increase in the net number of international students contributing to NOM in the ACT. This growth in student NOM is mainly attributed to the large disparity between NOM arrivals and NOM departures, which in part reflects the time lag effect of a student's course duration. The disparity could also reflect the number of students who changed their visa and residency status whilst onshore. In 2009, the net contribution of international students continued to increase in the ACT, while all other jurisdictions, except the NT, recorded a decrease.

International students made up the largest group of temporary visa holders contributing to NOM in the ACT in 2009, adding a net 1,600 to the territory's population, or 44% of the total NOM figure. This was higher than the proportion recorded at the national level (41%) and in most other jurisdictions except Victoria (51%) and NSW (45%).

Within this group, international students travelling to the ACT on higher education visas formed the largest component, with a net 1,000 students representing 28% of total NOM in 2009. The vocational education and training sector represented 9% of total NOM (330 students) while all other student visas accounted for 7% (260 students).

### **Business Long Stay Visas**

Between 2004 and 2009, the net number of temporary business visas (otherwise known as 457 visas) contributing to the ACT population more than doubled over the five year period (up 120% or 240 persons). This growth in Business 457 visas most likely reflects the Australia's relatively buoyant economy over recent years with low unemployment and recognised labour shortages for specific occupations.

Temporary business entrants can stay in Australia for up to four years and can also apply for other visas during their stay. They may also obtain permanent residency under the Employer Nomination Scheme, the Regional Sponsored Migration Scheme, a Labour Agreement, or the Skilled Independent visa program. The slight decline (-5%) in business 457 visa holders for the ACT in 2009 may, in part, reflect the economic uncertainty faced by employers during the Global Financial Crisis.

Despite this, people entering with business long stay visas added 430 persons to the ACT population in 2009, accounting for 12% of the total NOM figure for the year. This was higher than representation at the national level (6%) and in each of the other jurisdictions, except the NT (29%) and WA (14%).

### **Visitor Visas**

The net number of long-term visitors (staying 12 months or more) contributing to the ACT population increased over the five year period, with 140 (56%) more visitors in 2009 than in 2004. In 2009, this visa group contributed 380 persons to the territory's population, representing 10% of total NOM for the year. This was similar to representation at the national



level (8%) and in each of the other jurisdictions. Of this group, 64% were tourists, 21% were business visitors, 4% were sponsored family visitors, and the remaining 11% were visitors of other types.

### Working Holiday Visas

Working holiday makers are permitted to stay for a period of up to 12 months from the date of initial entry. However, many of these visa holders stay more than 12 months, and therefore contribute to NOM estimates. This includes people who have undertaken seasonal work in regional Australia and become eligible to apply for a second working holiday visa, as well as those who have applied for, and been granted, a different visa whilst onshore.

Between 2004 and 2009, the net number of working holiday-makers contributing to NOM in the ACT more than doubled (up 144% or 100 persons). This growth in working holiday visa holders may relate to Australia's relatively strong economic standing during recent global financial events, increasing the appeal for international travellers to visit and work temporarily in the ACT.

Despite this growth, working holiday-makers made the smallest net contribution to NOM in the ACT in 2009, adding fewer than 180 persons, or 5% of total NOM, for the year. This was lower than representation at the national level (8%) and below that of NSW (14%), Queensland (9%) and WA (8%).

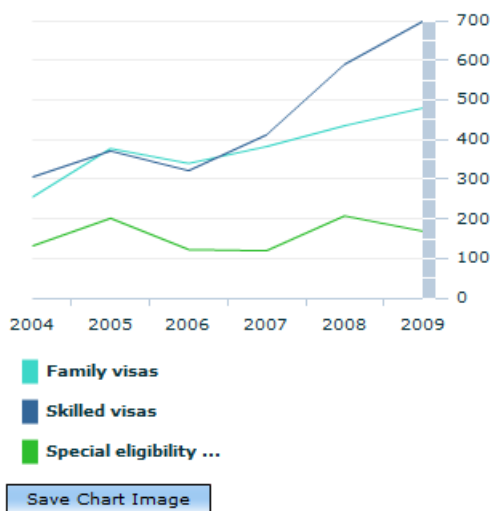
### Permanent Visas

Permanent visa holders made a much smaller contribution to total NOM in the ACT in 2009 than temporary visa holders (37% and 68% respectively). While this was higher than the proportion of permanent visas at the national level (34%), it was below that in most other jurisdictions except Victoria (33%), Queensland (23%) and WA (35%).

In 2009, the number of permanent visa holders arriving in the ACT was over 1,400 persons, representing 17% of all arrivals, while the number departing was almost 80 persons, or 2% of all departures. This resulted in over 1,300 permanent visa holders being added to the ACT population.

Permanent visas are grouped under three broad categories: Family visas; Skilled visas; and Special eligibility and humanitarian visas.

**Fig 8 NOM by Permanent Visa Types(a), ACT, 2004 - 2009**



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**Footnote(s):** (a) These estimates use the '12/16 month rule' methodology for calculating NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

### Family Visas

Over the five years to 2009, there was an 88% (220 persons) increase in the net number of family visa holders (granted offshore) contributing to the ACT population. In 2009, this visa group made a smaller contribution (480 persons or 13% of total NOM) to the population than permanent skilled visa holders. This proportion was consistent with representation for Australia as a whole (13%) and similar to representation in each of the other jurisdictions, except the NT (19%) and NSW (18%).

## **Skilled Visas**

For the five years to 2009, the net number of permanent skilled visa holders (granted offshore) contributing to NOM in the ACT more than doubled (up 129% or 390 persons), reflecting the increased policy focus on skilled migration since the late 1990s, as well as the labour shortages associated with Australia's relatively strong economy.

People entering with skilled visas made up the largest group of permanent visa holders contributing to NOM in the ACT in 2009. The net gain from permanent skilled visa holders was 700 persons, or 19% of total NOM, for the year. In comparison, the representation of permanent skilled visas holders was lower at the national level (15%) and in each of the other jurisdictions, except SA (29%) and WA (20%).

## **Special Eligibility and Humanitarian Visas**

Special eligibility visas relate mainly to former citizens and residents requiring special visas to enter the country. This visa category contains very small numbers and has therefore been combined with the Humanitarian visa category, managed by the Australian Department of Immigration and Citizenship. The offshore resettlement component of the Humanitarian Program has two categories: refugees and a special humanitarian program.

Between 2004 and 2009, the net number of special eligibility and humanitarian visa holders (granted offshore) contributing to NOM in the ACT increased by 28% or 40 persons. This group made a net contribution of 170 persons to the territory's population in 2009, or 5% of total NOM for the year. This was consistent with their representation at the national level (5%) and in most other jurisdictions. Only Tasmania recorded a significantly higher proportion in this group of visa holders (14%).

## **New Zealand Citizens**

In comparison with temporary and permanent visa entrants, New Zealand citizens made a relatively small contribution to total NOM in the ACT in 2009 (4%). This was lower than the national proportion (8%) but similar to that recorded in most other jurisdictions except Queensland (18%) and WA (9%). With 330 New Zealand citizens arriving in the ACT in 2009 (4% of all arrivals), and 180 departing (4% of all departures), this group contributed 150 persons to the ACT's population.

## **Australian Citizens**

Among the major NOM groupings, Australian citizens made the only negative contribution (-7%) to NOM in 2009, resulting in a loss of almost 250 persons from the ACT population. The number of Australian citizens returning to the ACT in 2009 was nearly 2,300 persons, representing 27% of all arrivals, while the number of Australian citizens departing was over 2,500, or 52% of all departures. In comparison, the contribution of Australian citizens to national NOM was -0.1%, although most states and territories recorded positive contributions from Australian citizens and only NSW, Victoria and the ACT recorded negative contributions.

## **CONCLUSION**

While NOM has not always been the main component of population growth in the ACT, it has remained an important source of growth in the five years to 2010.

Underpinning much of the recent growth in NOM was a large increase in the number of international students arriving in the ACT between 2005 and 2009, reflecting Australia's growing engagement in the global economy and increasing provision of education services to international students.

This growth in international students may also be attributed to the disparity between NOM arrivals and NOM departures, reflecting time lags course duration, as well as the propensity for some students to change their visa and residency status whilst onshore. Of the jurisdictions, the ACT had the third highest proportion of international students in total NOM figures for 2009.

With skilled migration being a key focus of national immigration policy since the late 1990s, the representation of permanent skilled visa holders in the ACT's NOM figures for 2009 was comparatively high (third highest among all the jurisdictions). Of the various visa types, permanent skilled visas ranked second highest in the ACT (after international students) in terms of their contribution to NOM in 2009. Following permanent skilled visa holders, those with family visas comprised the third largest visa category in 2009, accounting for 13% of the total NOM figure for the year.

Significantly slowing the five year growth rate in total NOM, preliminary estimates for 2010 saw a sharp decline in net overseas migration to the ACT. While the contribution of each visa group to the recent decline in NOM will not be known until 2010 figures are finalised, the national trend suggests this decline was driven by a combination of a decrease in arrivals and an increase in departures for temporary visa holders, and in particular for international students.

Despite this recent decline, overseas migration has made an important contribution to the ACT's population since 2005,

with international students, permanent skilled visa and family visa holders having a significant impact on the size and structure of the territory's total population.

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